

6
A 2 Eg 34
Cap 2

1948 EGG PRICE SUPPORT PURCHASE PROGRAM

Support level

90% of parity, effectuated by requiring participating driers to pay producers an average price of not less than 35¢ doz. in the midwestern area. This price, when averaged with the higher prices prevalent in the coastal areas, is supposed to reflect a national annual average price conforming with the support level.

Service fee

None

Area of operation

Continental U. S., but primarily midwestern states. (To date purchases have been in Minnesota, Iowa, Kansas, Nebraska, Missouri, Oklahoma, Texas, South Dakota, and Wisconsin.

Period of operation

January 1 - December 31, 1948.

Eligibility

Producers, co-ops, dealers; shell, frozen or dried eggs.

Procedure

Purchase announcement, issued by Poultry Branch, is mailed to egg driers. Drier completes contract form "Offer of Sale," which was sent to him, along with purchase announcement, showing quantity, quality, pack, etc., of dried eggs he offers to CCC, and mails to Poultry Branch in Washington. Drier must certify that support prices were paid to producers. Sealed offers are received weekly and opened each Tuesday. Offers are tabulated and reviewed by Contracting Officer, and a recommendation is made by him as to which lots should be accepted. After approval by Poultry Branch Director, Contracting Officer sends telegraphic notification of acceptance to driers. Contracting Officer signs "Acceptance" section of "Offer of Sale" indicating what portion of offer is accepted and distributes as follows: copy to vendor, copies to Fiscal Branch who sends copy to Area Fiscal Office concerned. Official contract file is maintained by Fiscal Branch. Abstract of purchase is prepared and distributed as follows: copies to Poultry Branch, Fiscal Branch, Information Branch, and Shipping and Storage Branch. "Notice to Deliver" is issued by Shipping and Storage field office and sent to vendor. After delivery, vendor submits voucher for payment to Fiscal Branch field office where it is scheduled for payment by the appropriate disbursing office. Shipping and Storage Branch field office submits periodic report of stocks to Shipping and Storage Branch in Washington who reports to Poultry Branch in Washington.

Service announcements, requesting bids for drying, packaging, etc., follow same procedure as purchase announcements.

Problems

Provision is made in the current docket for purchase of shell eggs and frozen eggs. However, CCC has only purchased dried eggs and probably will not purchase shell or frozen eggs because of the difficulties involved in handling and storing.

Prices - The support level is so profitable to midwestern producers that it maintains high production in the Midwest.

Outlets - It has been very difficult to find outlets for the purchases made. As of early December 1948, about 24,000,000 pounds of dried eggs were on hand with only limited outlets available.

